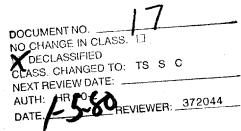
3 August 1955

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT

- : Memorandum of General F. E. Schwien entitled "Matienal Intelligence or Methods of Utilizing Information of a Potential Enemy of the United States"
- 1. In this paper General Schwien is principally concerned with two matters not necessarily related: (1) How intelligence should not try to estimate enemy intentions but should stick to "capabilities"; and (2) How a Central Intelligence Service is badly needed and how it should go about making high level estimates.
  - 2. In my view you do not have the time to read this paper.
- 3. When General Schwien uses the word "capabilities" as in the phrase "capabilities estimate", he includes at least two things: (1) a totting up of enemy forces, and (2) a discussion of the several possible courses of military action which these forces make feasible. In his language these possible courses of action are "capabilities"; they are not "intentions". So far so good. When General Schwien uses the word "intentions" he means a prediction of "exactly what a potential enemy will do." This General Schwien finds a dangerous pursuit for an intelligence officer. Agreed. Indeed I have never known an intelligence officer who wanted to do the thing General Schwien finds dangerous.
- 4. The only point of difference between the General and most of the people concerned with NIE's is that the latter do not habitually use the word "capabilities" in the precise and classic way he uses it. They generally use it to mean no more than the inventory of men under arms and the military hardware at their disposition. They do not include the courses of action which such power opens to the enemy. Accordingly some of our estimates have titles like "Capabilities and Probable Intentions



of the USSR"; "Capabilities and Probable Courses of Action of the USSR"; or "Soviet Capabilities and Hain Lines of Policy". According to General Schwien "Capabilities of the USSR" would have sufficed to describe the content of these papers. Hore important, I feel sure that although we define the word "capabilities" differently from General Schwien, we do not write papers which violate his feeling about the word "intentions".

5. With respect to his notion as to the functions of a Central Intelligence Bureau, how the Bureau should be set up, and how it — <u>massisted</u> — should go about making estimates. I find him not very helpful. The main points are best conveyed by the three quotations below.

## Punotions.

a. "... it is almost exicmatic that this Central Intelligence Agency (sic) control all information gathering agencies such as military, Air, and Mayal Attaches abroad, foreign missions and espionage. ... might include counterespionage organizations such as the FBI,"

## Organization

- b. "In very general terms the Central Intelligence Bureau should be subdivided into three main sub-sections, all interrelated under one head. Generally speaking, the principal subdivisions might be
  - (1) Information collecting section
  - (2) Evaluation, Collation, and Interpretation Section
    - (3) Counter-intelligence"

## Rationton

c. "The Chief of the Bureau and his assistants receive the evaluated, collated, and interpreted items of information and propare "Estimates". The Estimates paint a narrative picture of any given situation and terminate with a conclusion paragraph presented in the form of "capabilities." 6. Fages 6 through 14 deal with examples of estimating. The first case is apposite to the functions of a Central Intelligence Agency — namely Fearl Herbor; the last two cases: Masserine Pass and The Bulge admittedly would not have been averted by a Central Intelligence Agency. One wonders why they are included.

SHERMAN KENT Assistant Director National Estimates